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Summary record of the 32nd meeting
Held at Headquarters, New York, on Wednesday, 12 May 2010, at 10 a.m.

Chairman: Mr. Sène (Vice-Chairman) ..... (Senegal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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10-35960 (E)

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In the absence of Mr. Maurer (Switzerland), Mr. Sène (Senegal), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/64/572 and Corr.1, A/64/611 and Add.1, A/64/652, A/64/697 and Add.1 and 2 and A/64/753)

1. **Mr. Yamazaki** (Controller), introducing the performance report on the budget of the support account for peacekeeping operations for the period from 1 July 2008 to 30 June 2009 (A/64/611 and Add.1), which presented results-based budgeting frameworks for each relevant department and office, with planned and actual indicators of achievement, said that the General Assembly had authorized funding of $282,401,900 for the support account for the 2008/09 period. Expenditure for the same period had amounted to $271,963,600, leaving an unencumbered balance of $10,438,300, an implementation rate of 96.3 per cent.

2. The main causes of the variance were the unspent balance in respect of post resources, attributable to recruitment delays and the resulting higher-than-budgeted vacancy rates in the Department of Peacekeeping Operations and the Department of Management, as well as to delays in the recruitment of suitable candidates for posts in the Office of Internal Oversight Services (OIOS), in particular for resident auditor posts in peacekeeping missions; and reduced requirements under non-post resources, attributable, among other factors, to the delay in the implementation of the new administration of justice system, which had come into effect on 1 July 2009. The General Assembly was requested to take the actions set out in paragraph 68 of the performance report.

3. Introducing the proposed support account budget for the 2010/11 period (A/64/697 and Add.1 and 2), which amounted to $313,891,800, excluding enterprise resource planning (ERP) requirements of $57,033,000, he said that the sum concerned represented an increase of $19,860,900 (excluding ERP), or 6.8 per cent, over the resources of $294,030,900 approved for the 2009/10 period. The budget for 2010/11 provided for a total of 1,314 posts, which consisted of 1,245 continuing posts, taking into account the proposed redeployment of four posts to the United Nations Logistics Base at Brindisi, Italy, and 73 new posts, including 12 general temporary assistance positions converted to posts.

4. The budget proposal had not been determined by the recommendations of the Independent Audit Advisory Committee (IAAC), but reflected a comprehensive and independent review of the submissions of each department and office, including OIOS. It had been prepared pursuant to General Assembly resolution 61/275, which broadly endorsed the conclusions and recommendations contained in the Advisory Committee's report on the strengthening of OIOS (A/61/880), including the view that the Secretary-General, as the Organization's chief administrative officer, should continue to have responsibility for presenting the budgetary requirements of OIOS. In order to facilitate the review by legislative bodies of the results-based budgeting frameworks, an introductory section outlining the mandate, main responsibilities and major priorities for the 2010/11 period had been included at the beginning of the framework for each division or office of the largest departments funded from the support account.

5. Pursuant to General Assembly resolution 64/243, and based on the revised estimates presented in the first progress report on the enterprise resource planning project (A/64/380), the Secretary-General proposed to fund ERP-related resource requirements of $57,033,000 from the support account for the 2010/11 period. The estimates for the project would be reviewed by the Secretary-General and submitted to the General Assembly in his second progress report on ERP at the main part of its sixty-fifth session.

6. Resource requirements of $1,254,190 relating to the peacekeeping share of the maintenance support costs of the secondary data centre had been included in the support account budget for 2010/11, pursuant to General Assembly resolution 64/228. The proposed budget also included requirements related to the projected after-service health insurance costs of the current peacekeeping retirees for the 2010/11 period, and information on the impact of applying projected vacancy rates used for continuing posts on the costing of proposed new posts.

7. Variances between the approved 2009/10 budget and the proposed budget for 2010/11 were detailed in section I.B of the report (A/64/697), while information on initiatives to further strengthen support to peacekeeping operations was presented in section I.A.

Pursuant to General Assembly resolution 63/287, the addendums to the report (A/64/697/Add.1 and 2) provided information on the rejustification of posts financed under the support account.

8. The main causes of the increase in resource requirements were the proposed net increase in the support account staffing establishment, combined with the increase in standard salary costs and the application of lower projected vacancy rates to newly approved posts for the 2009/10 period, which would continue in 2010/11. With regard to non-post resources, increased requirements under general temporary assistance, facilities and infrastructure, as well as other supplies, services and equipment, were offset in part by reduced requirements for consultants, communications and information technology. The General Assembly was requested to take the actions set out in paragraph 683 of the budget report. The Committee might also wish to note that the Secretary-General, in his report on the budget for the United Nations Office to the African Union (A/64/762), proposed to finance that Office to a considerable extent from the support account for peacekeeping operations.

9. Introducing the report of the Secretary-General on a comprehensive analysis of the Office of Military Affairs in the Department of Peacekeeping Operations (A/64/572 and Corr.1), which had been prepared pursuant to paragraph 36 of General Assembly resolution 62/250, and considered by the Special Committee on Peacekeeping Operations pursuant to paragraph 37 of that resolution, he said that the report concluded that the strengthened Office was now capable of providing increased strategic direction, oversight and situational awareness; had developed a limited mission start-up, surge and crisis response capacity; and had the full functionality to facilitate the cessation of Strategic Military Cell operations by the target date of 30 June 2010.

10. **The Chairman** drew the Committee's attention to a statement by the Chairman of the Independent Audit Advisory Committee, circulated informally, and to the IAAC report on the budget of OIOS under the support account for peacekeeping operations for the period from 1 July 2010 to 30 June 2011 (A/64/652).

11. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the performance report on the support account for 2008/09 and proposed budget for 2010/11 (A/64/753), said that the Advisory Committee recommended a reduction of $4,528,100 in the proposed budget. While the Advisory Committee had noted the efforts made to improve the presentation of the budget, which now included an introductory section setting out the mandate and main priorities of the departments with the largest share of support account resources, it had requested that the presentation should be further improved to include information on initiatives to be implemented over a number of years, indicating accomplishments, outstanding activities and a time frame for completion.

12. The Advisory Committee had been informed that the restructuring of the Department of Peacekeeping Operations and the Department of Field Support was essentially complete. In view of the fact that the implementation of integrated operational teams had presented certain challenges and necessitated some adjustments, particularly in relation to the need for a more flexible use of resources at different stages of a mission's lifespan, the Advisory Committee had highlighted issues that should be addressed by the report on the implementation of the integrated operational teams, to be submitted by the Secretary-General at the request of the Committee on Peacekeeping Operations.

13. The Advisory Committee recommended approval of the Secretary-General's proposal for a follow-on study on the evolution of the support account in order to develop a staffing model that would relate staffing needs to the size and nature of peacekeeping operations.

14. In view of the unencumbered balance and high average vacancy rates reported in the performance report for 2008/09, and the increase in resources proposed for 2010/11, largely as a result of the increase in standard salary costs and the full costing of 63 new posts approved for 2009/10, the Advisory Committee, in making its recommendations for the support account for 2010/11, had taken into account the need to optimize the use of managerial capacity and improve business processes to handle multiple tasks and functions with greater efficiency and ensure better coordination between Headquarters and field operations.

15. The Advisory Committee recommended approval of 41 of the 73 new posts proposed for 2010/11. In

most cases where the Advisory Committee had recommended against a proposed post, it considered that the functions should be provided from within existing capacity.

16. With regard to non-post resources, the Advisory Committee noted that, although the proposed increase of $2,066,900 appeared modest, it reflected a substantial increase in the provisions for general temporary assistance and facilities and infrastructure, partially offset by decreases in the provision for information technology and consultants.

17. Paragraph 150 of the Advisory Committee's report addressed procedural issues that had arisen with regard to review of proposed OIOS budgets by IAAC, the Advisory Committee and subsequently the General Assembly. The Advisory Committee's detailed recommendations by department and section were set out in paragraphs 49 to 190 of its report, while paragraphs 191 to 195 contained its overall recommendations regarding the performance report for 2008/09 and the proposed budget for 2010/11.

18. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, stressed that all peacekeeping operations must be provided with the necessary resources to fulfil their mandates and that sufficient backstopping should be made available in all phases of operations. The level of the support account should broadly correspond to the mandate, number, size and complexity of the operations.

19. The Group was concerned that the Secretariat and the Advisory Committee continued to resubmit proposals that had been rejected by the General Assembly at previous sessions. While changing circumstances might explain such action in certain cases, the near automatic resubmission of proposals under unchanged scenarios, for example in relation to the OIOS Investigations Division, was unacceptable and reflected mismanagement.

20. The Group emphasized the need for genuine partnership, interaction and coordination between the Secretariat and troop-contributing countries, most of which were developing countries, on all matters relating to the support of peacekeeping operations. In that connection, it reiterated the need for proper representation of troop-contributing countries within the relevant Secretariat departments, taking into account their contribution to United Nations peacekeeping, as requested by the General Assembly. The Group was also concerned about the continuing low proportion of women from developing countries in the Secretariat, especially at senior levels.

21. **Mr. Yamada** (Japan), reiterating his delegation's position that the utmost prudence should be exercised in determining the optimal size of the support account, said that efforts should be made to recruit and appoint staff promptly and to make full use of approved posts and positions rather than seeking new ones. Even greater prudence was warranted during the Committee's consideration of the proposed budget for the support account for 2010/11, bearing in mind that efforts to enhance the efficiency and effectiveness of peacekeeping operations should gather momentum in the context of the proposed global field support strategy; that the budget for the account was increasing substantially owing to the cost of reform items; and that the United Nations Logistics Base also had significantly higher requirements, with some possibility of overlap with the support account budget.

22. In view of the fact that the proposed support account budget for 2010/11, excluding ERP requirements, represented a 6.8 per cent increase over approved resources for 2009/10, including increases of 9.7 per cent and 21.9 per cent under post resources and general temporary assistance respectively, and that the number of requested posts and general temporary assistance positions continued to grow, even as military contingents, United Nations police and civilian staff deployed in missions started to decrease, his delegation considered that the Committee should seek further reductions in the proposed budget, beyond those recommended by the Advisory Committee, by scrutinizing the merits of each proposal. In that connection, it was surprising that, three years after the restructuring of the Department of Peacekeeping Operations and the creation of the Department of Field Support, there had been very few adjustments in those departments. His delegation concurred with the Advisory Committee's recommendations on the need to review existing resource levels and management structures with a view to reassigning, redeploying and reducing existing resources in order to streamline the backstopping of peacekeeping operations, and on the use of general temporary assistance.

23. **Ms. Liu** Bing (China) said that increases in the support account budget should be proportionate to the number and scale of peacekeeping operations. Her delegation noted that the proposed support account

budget for 2010/11 was some 110 per cent higher than the support account resources approved for 2005/06, whereas the projected increase in the total peacekeeping budget for 2010/11 over the same period was 65 per cent. The support provided to peacekeeping operations should be made more efficient and cost-effective by fully utilizing information technology and by improving operational processes, rather than by over-relying on additional resources.

24. Recalling that, owing to the limitations of the study on the evolution of the support account, the Board of Auditors had been unable to meet the Advisory Committee's request for an analysis of how the support account had evolved to its current application and configuration and how it might further evolve, she said that such an analysis would help Member States to consider the support account budget in a systematic manner, establish a model for peacekeeping support staffing and budget levels, and project the future development of the support account. Her delegation looked forward to further studies by the Secretariat on the matter.

25. Her delegation welcomed the Secretary-General's presentation of initiatives to further strengthen support to peacekeeping operations; however, it concurred with the Advisory Committee that more information should be provided on progress with relevant initiatives, timelines, resource requirements and participating departments. In particular, while her delegation supported measures to strengthen backstopping for the African Union Mission in Somalia (AMISOM), it sought clarification regarding the structural framework of, and mutual relations between, the proposed Somalia coordination and planning team and the proposed Headquarters team in support of AMISOM.

26. It was to be hoped that the Office of Military Affairs, now at virtually full strength, would enhance its capacity to provide strategic guidance and technical expertise, and would acquire a limited mission start-up and surge capacity. With regard to the proposed reclassification to civilian posts of three seconded officers funded by the support account in order to maintain the Office's institutional knowledge and stability, her delegation concurred with the Advisory Committee that continuity and institutional knowledge could be achieved by extending the length of service of seconded personnel and making use of information technology.

Agenda item 158: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(b) United Nations Interim Force in Lebanon (A/64/542, A/64/641 and Corr.1 and A/64/660/Add.14)

Agenda item 161: Financing of the African Union-United Nations Hybrid Operation in Darfur (A/64/579 and Corr.1, A/64/660/Add.13 and A/64/685)

27. **Mr. Yamazaki** (Controller), introducing the performance report on the budget of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2008 to 30 June 2009 (A/64/542), said that the General Assembly had appropriated funding of $650,755,600 for the maintenance of the Force and that expenditure had amounted to $575,536,200, leaving an unencumbered balance of $75,219,400, which represented an implementation rate of 88.4 per cent. The main causes of the variance were the delayed deployment of military contingent personnel and the lower average deployment of vessels and helicopters in the Maritime Task Force. The General Assembly was requested to take the actions set out in paragraph 33 of the performance report.

28. The proposed budget of $564,536,900 for the period from 1 July 2010 to 30 June 2011 (A/64/641 and Corr.1) reflected a 4.3 per cent decrease relative to the funding of $589,799,200 appropriated by the General Assembly for the maintenance of the Force for 2009/10. The main causes of the variance were the projected repatriation of military contingent units; reduced requirements for alteration/renovation and construction services; the absence of requirements for the acquisition of generators, projected to be completed during the 2009/10 period; and the acquisition of fewer vehicles and workshop equipment. The General Assembly was requested to take the actions set out in paragraph 125 of the budget report.

29. Introducing the performance report on the budget of the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the period from 1 July 2008 to 30 June 2009 (A/64/579 and Corr.1), he said that the General Assembly had appropriated funding of $1,499,710,000 for the maintenance of the Operation and that expenditure had amounted to $1,491,279,200, leaving an unencumbered balance of $8,430,800, which represented an implementation rate of 99.4 per cent. The main causes of the variance were reduced requirements for air transportation, military and police

personnel, and new equipment, services and spare parts in respect of communications and information technology. Those lower requirements were offset in part by higher than estimated construction costs and an increased need for security and safety enhancement, the upgrading of rental facilities, and electrical and other upgrades to comply with minimum operating security standards; additional requirements for the establishment of the air bridge to clear the backlog of United Nations-owned and contingent-owned equipment; and increased requirements for civilian personnel. The General Assembly was requested to take the actions set out in paragraph 88 of the performance report.

30. The proposed budget of $1,899,367,200 for the period from 1 July 2010 to 30 June 2011 (A/64/685) reflected an 18.8 per cent increase over the funding of $1,598,942,200 appropriated by the General Assembly for the maintenance of the Operation for 2009/10. The main causes of the variance were increased deployment of military contingents, police and civilian personnel; increased requirements for salaries and common staff costs for international staff; an increase in the costs of flight hours; additional requirements for the inland transportation of United Nations-owned equipment through a third-party logistics contract; and increased requirements for the acquisition of water and septic tanks. The General Assembly was requested to take the actions set out in paragraph 209 of the budget report.

31. The Committee might wish to note that the Secretary-General, in his report on the financing of the United Nations Office to the African Union (A/64/762), proposed to incorporate within that Office the support functions of the Joint Support and Coordination Mechanism in Addis Ababa.

32. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financing of UNIFIL (A/64/660/Add.14), said that the Advisory Committee's recommendations would entail a reduction of $30,047,700 in the Force's budget. The Advisory Committee recommended the application of a delayed deployment factor of 19 per cent to the estimates for military personnel, rather than the 16 per cent proposed by the Secretary-General, and, with respect to civilian personnel, it recommended vacancy rates of 21 per cent and 20 per cent for international and national staff, respectively, rather than the rates of 15 per cent and 10 per cent proposed by the Secretary-General. Actual civilian vacancy rates and average military deployment rates had never fallen below 21 per cent and 19.2 per cent, respectively, since the 2007/08 period. It recommended approval of the Secretary-General's staffing proposals, including the redeployment and abolishment of a number of posts related to rationalization of the support component.

33. The Advisory Committee supported the proposed consolidation of the regional communications and information technology operations of the four peacekeeping operations in the region, namely UNIFIL, the United Nations Disengagement Observer Force (UNDOF), the United Nations Peacekeeping Force in Cyprus (UNFICYP) and the United Nations Truce Supervision Organization (UNTSO). In terms of the UNIFIL budget, such consolidation would lead to a reduction of about $1,256,600 in information and communications technology-related equipment costs, offset by additional requirements of $61,000 related to the proposed reclassification of the P-5 Chief of Service post to the D-1 level.

34. The Advisory Committee recommended that the cost estimates for the Tel Aviv office should not be included in the budget for 2010/11. If UNIFIL succeeded in its efforts to establish the office during the budget period, any related expenditure should be reported in the performance report.

35. While the Advisory Committee noted a slight improvement in the UNIFIL budget implementation rate since 2007/08, it was concerned that that improvement was a result of General Assembly decisions rather than improved budget forecasting. It considered that further opportunities for savings could have been identified, and recommended a reduction of 2 per cent, or $11,290,700, in the overall budget. The Advisory Committee's recommendations with regard to the performance report were contained in paragraph 56 of its report (A/64/660/Add.14).

36. Introducing the Advisory Committee's report on the financing of UNAMID (A/64/660/Add.13), she said that the Advisory Committee's recommendations would entail a reduction of $60,220,900 in the Operation's budget for 2010/11. Bearing in mind that UNAMID military and police personnel were being deployed at a slower pace than planned, the Advisory Committee recommended the application of delayed deployment factors of 12 per cent for military personnel, 17 per cent for United Nations police and 16 per cent for formed police units, rather than the factors of 10, 15

and 12.5 per cent, respectively, applied by the Secretary-General. It also recommended a 6 per cent reduction in the proposed requirements for operational costs, based on a pattern of under-expenditure in a number of categories and in the light of its recommendation to increase the delayed deployment factors for military and police personnel.

37. The Advisory Committee had no objection to the proposed establishment of the Joint Operations Centre, as described in the budget report (A/64/685), and its staffing structure of 12 posts. The Advisory Committee's recommendations with regard to the performance report were contained in paragraph 76 of its report (A/64/660/Add.13).

The meeting rose at 11 a.m.

United Nations A/C.5/64/SR.33

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Summary record of the 33rd meeting
Held at Headquarters, New York, on Thursday, 13 May 2010, at 10 a.m.

Chairman: Mr. Rosales Díaz (Vice-Chairman) ..... (Nicaragua)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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Agenda item 134: Improving the financial situation of the United Nations (*continued*)

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

United Nations Logistics Base at Brindisi

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10-36156 (E)

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The meeting was called to order at 10.15 a.m.

Agenda item 134: Improving the financial situation of the United Nations (*continued*) (A/64/497/Add.1)

1. **The Chairman**, recalling that the Under-Secretary-General for Management had updated the Committee on the current financial situation of the Organization at its 30th meeting, held on 7 May 2010, said that her statement had been issued as a report of the Secretary-General (A/64/497/Add.1).

2. **Mr. Yamazaki** (Controller) said that since 30 April 2010 Croatia, Denmark, Georgia and Tajikistan had fully paid their due and payable assessments, bringing to 26 the number of Member States that had paid their contributions in full. In addition, full payment of due and payable assessments had been received from Turkmenistan and the United Kingdom for the regular budget, international tribunals and capital master plan; from Bahrain for the regular budget and capital master plan; from China for the tribunals and capital master plan; from Bosnia and Herzegovina for the tribunals; and from Iraq and Turkey for the regular budget.

3. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, said that, despite the improvement in the financial situation of the United Nations, as at 30 April 2010 there had been a shortfall of $1.06 billion under the regular budget and $1.24 billion in respect of peacekeeping budgets. The Group sympathized with Member States, particularly those from the developing world that had been hit hard by the global financial crisis or natural disasters, but found it unfortunate that about one half of all outstanding payments was owed by a single country. The shortfall struck at the heart of efforts to enhance the Organization's effectiveness and efficiency and might undermine its ability to carry out its mandates. The full, timely and unconditional payment of assessed contributions by Member States was a Charter obligation. Those that had the capacity to settle their arrears should do so in a timely fashion. The Group rejected all unilateral coercive measures contrary to international law that obstructed payments from members of the Group under the Organization's various budgets.

4. It was also a concern that some $750 million had remained owing to troop- and police-contributing countries as at 30 April 2010. Most were developing countries and could not sustain troop commitments and maintain equipment on their own for long periods. Given the sacrifices asked of the peacekeepers in the field, measures must be taken to pay debts to Member States expeditiously.

5. The Group welcomed the Secretariat's establishment of an online portal that would allow Member States to follow up on the status of their budget contributions.

6. **Ms. González Betancort** (Spain), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Azerbaijan, Georgia, Republic of Moldova and Ukraine, said that each Member State had the responsibility to pay its assessed contributions in full, on time and without conditions. Equally, the Organization must use its resources efficiently and effectively, especially given the current global financial crisis.

7. The improvement in the Organization's financial situation relative to the previous financial period, with a lower total of arrears and a stronger cash position, was positive. The European Union welcomed the fact that, as at 31 December 2009, 136 Member States had fully paid their assessed contributions under the regular budget; nevertheless, that was 10 fewer than in the previous period. It was worrying that a total of $1.06 billion had been owed as at 30 April 2010.

8. It was unfortunate that, despite some improvement in unpaid assessments for the budgets for peacekeeping operations, the total outstanding stood at $1.24 billion. The European Union called upon all Member States to pay their assessments so that the Organization could implement its important peacekeeping mandates. The funds in the accounts of closed peacekeeping missions must be returned to Member States in compliance with the Financial Regulations and Rules of the United Nations. The practice of financing the operations of active peacekeeping missions using those funds was unsustainable.

9. Despite the improvement in the financial situation of the international tribunals, it was a matter of concern that assessments of $86 million remained unpaid, as that could hamper the completion strategies

of the tribunals. The European Union remained firmly committed to the capital master plan, in respect of which there had been an outstanding balance of $117 million as at 30 April 2010. Member States must pay their related assessments in order to ensure that it was implemented on time.

10. She welcomed the Secretariat's establishment of an online portal, as a useful tool for accessing up-to-date information on payments of assessments.

11. The significant level of outstanding assessments owing underlined the need for Member States to discharge their financial obligations to the Organization. The European Union, whose members contributed nearly 40 per cent of overall assessments, would continue to stress the need for effective, efficient and transparent use of resources by the Organization as well as the need to distribute financial responsibility for the United Nations more equitably among the Member States.

12. **Ms. Pakarati** (Chile), speaking on behalf of the Rio Group, said that the Organization must have proper financing to implement its mandates. All Member States must discharge their financial obligations, although it was understandable that some countries — in particular developing countries — might find it difficult to pay in full owing to the economic crisis or natural disasters. She commended those States that were up to date in their payments and welcomed the efforts of developing countries to meet their financial obligations despite difficult circumstances.

13. Member States must be given proper avenues for making full and timely payment. The Rio Group therefore condemned any unilateral measure contrary to international law that hindered any member of the Group in paying its assessments.

14. Despite welcome improvements in the Organization's financial situation, she was concerned that substantial arrears remained with respect to the regular and peacekeeping budgets, with over 60 per cent of the total outstanding under all of the Organization's budgets owed by a single Member State, a situation that adversely affected the efficiency and effectiveness of the United Nations and its ability to discharge its mandates.

15. Despite a slight improvement in the status of payments to troop-contributing countries, the situation remained unsatisfactory: payments to several of the Group's members continued to be delayed. Since reimbursements of troop and equipment costs depended on the timely payment of assessments, all Member States must meet their financial obligations in full and on time.

16. She welcomed the significant decrease in the amounts owing under the budgets of the tribunals. With respect to the capital master plan, she urged Member States to continue to support the project to ensure its timely completion; several of the Group's members were doing so, while others had already paid their assessments for the plan in full.

17. Lastly, she welcomed the creation of an online portal through which Member States could receive up-to-date information on their contributions.

18. **Mr. Lafortune** (Canada), speaking also on behalf of Australia and New Zealand, said that the decrease in outstanding assessments compared to 2009 was encouraging. Nevertheless, it was worrying that some 56 countries — close to one third of the membership — had failed to fully meet their financial obligations to the Organization. It was unacceptable that a number of Member States regularly failed to pay their assessed contributions in full, on time and without condition, as required by the Charter. Certainly, some countries must find it difficult to do so in the current global financial environment. Nevertheless, the failure of Member States to pay their assessments penalized those that had paid in full and on time and left troop-contributing countries waiting for reimbursement of costs they had incurred.

19. At a time when Member States were asking the Organization to do more and when the regular and peacekeeping budgets were at record levels, it was necessary to eliminate waste and duplication, redeploy resources and streamline the Organization's administration. In that connection, the Secretariat's new online portal was a welcome tool that would facilitate payments by Member States. He thanked those Member States that were meeting their Charter obligations and implored others to do the same.

20. **Mr. Cabactulan** (Philippines), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that in 2009 the Association's membership had accounted for just over 1 per cent of total assessments under the Organization's regular budget, or some $25 million. Though a modest contribution, it could go a long way towards funding

United Nations activities during hard times. ASEAN members prided themselves on striving to meet their financial obligations despite the financial crisis that had necessitated drastic government cutbacks.

21. The cost of United Nations activities and peacekeeping missions had risen dramatically in recent years and resources were stretched to breaking point. The arrears in payments by Member States threatened to undermine the Organization's effectiveness. Member States must renew their commitment to the Organization and act urgently and responsibly to meet their financial obligations.

22. The Secretariat must seek innovative and cost-effective ways of utilizing the limited resources available and strive for better accountability and delivery of results. The timely submission of financial reports would facilitate the expeditious payment of assessments by Member States. He welcomed the creation of an online portal that allowed Member States to check the status of their assessed contributions.

23. Speaking in his national capacity, he noted that the Philippines would remit payments immediately for the regular budget, tribunals and capital master plan.

24. **Mr. Núñez Mosquera** (Cuba) said that, although the financial situation of the Organization had improved slightly, it was significant that most of the arrears under United Nations budgets continued to be owed by a single Member State. At a time when the Committee was about to discuss efficiency measures for the delivery of peacekeeping mandates, the payment of all outstanding amounts would ease concerns about reimbursements to troop-contributing countries and cross-borrowing between missions and would allow Member States to make proper decisions about closed missions.

25. Member States must meet their financial obligations fully, on time and without conditions. Cuba maintained its firm commitment to multilateralism in spite of the obstacles it faced as a developing country in an unjust international economic order. Despite the hindrances created by the illegal United States economic embargo and the financial crisis caused by the irresponsible actions of others, Cuba was up to date with its payments for peacekeeping operations and the capital master plan and had paid half of its assessment under the regular budget. Making payment was difficult because Cuba could not use the United States dollar and had to conduct transactions through third parties.

26. While his delegation recognized the importance of peacekeeping operations in helping countries to achieve social stability, United Nations peacekeeping activities were too expensive, and could be better managed to reduce their impact on other areas that were equally important to developing countries. The large sums spent on peacekeeping and special political missions were not a matter for self-congratulation but a sign that something was amiss in the development process that the international community was incapable of addressing. Many problems could be solved with just a fraction of the world's military spending, almost half of which was attributable to a single country. The best guarantee of peace and security would be to eradicate poverty and social marginalization and ensure the right to development. It was therefore crucial to strengthen the development pillar of the United Nations.

27. He welcomed the establishment of an online portal allowing Member States to access information on the status of contributions: political support for the United Nations must also be expressed through the fulfilment of financial obligations.

28. **Mr. Sugiyama** (Japan) said that his Government had redoubled its efforts to pay its assessed contributions for peacekeeping operations earlier than ever. He welcomed the improved financial situation, with unpaid assessments under the Organization's various budgets lower as at 30 April 2010 than a year earlier, even though assessments under the regular and peacekeeping budgets had been much higher than in previous years. Given the great efforts by Member States to pay their assessed contributions, he urged the Secretariat to improve accountability and to use resources more efficiently and effectively than ever.

29. His delegation was concerned by the Under-Secretary-General's statement that $194 million in the accounts of closed peacekeeping operations would be available for possible cross-borrowing for other accounts. Cross-borrowing should be an exceptional measure to deal with cash shortfalls in active peacekeeping operations; the cash in closed peacekeeping accounts should not be considered an easy source for cross-borrowing for other accounts.

30. **Mr. Prokhorov** (Russian Federation) said that, while the financial situation of the United Nations

showed some signs of improvement, it was as yet insufficiently stable. It was encouraging that unpaid assessments under all budgets had been lower as at 30 April 2010. He welcomed the reduction in the Organization's debt to troop-contributing countries by $169 million compared to the previous year, but noted that the problem had not been entirely resolved.

31. The number of countries that had paid their assessments in full had risen, so that most of the unpaid amounts were owed by a small group of countries. A failure by Member States to meet their financial obligations to the Organization could have a negative effect on its activities. It was unfortunate that some peacekeeping missions continued to suffer from cash shortages.

32. Member States, having assumed the associated financial burden, expected the Secretariat to conduct proper financial planning in order to realistically estimate the resources required to discharge the Organization's mandates.

33. The Russian Federation welcomed the new online portal designed to provide current information on contributions; it would assist permanent missions in their day-to-day work. Member States must fulfil their Charter obligations and pay assessed contributions unconditionally. He trusted that States in arrears would make every effort to pay their outstanding assessments, thus allowing the Organization to respond more firmly to new challenges and threats and implement mandated activities.

34. **Mr. Lim** (Singapore) said that the decrease in unpaid assessments under all budget categories was encouraging. He applauded the efforts of Member States to pay their contributions to the United Nations on time, particularly when many were facing difficulties owing to the global financial crisis, and commended the major contributors for reducing their unpaid assessments. Still, Member States should not congratulate themselves for partially closing the arrears gap when no such gap should have existed in the first place. All Member States, and especially the major contributors, must ensure the timely and predictable financing of the Organization.

35. The Secretariat must reciprocate by improving efficiency and accountability in the use of resources and the delivery of results. With all Member States under financial pressure, the Secretariat must ensure value for money. The growth in the United Nations budget necessitated even greater prudence and discipline, together with greater transparency in the decision-making process that led to the establishment of mandates.

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

United Nations Logistics Base at Brindisi
(A/64/575, A/64/660/Add.12 and A/64/698)

36. **Mr. Yamazaki** (Controller), introducing the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2008 to 30 June 2009 (A/64/575), said that expenditure for that period had amounted to $44,336,700. The approved budget for the period amounted to $45,769,000, leading to an unencumbered balance of $1,432,300 and a utilization rate of 96.9 per cent. The decrease in resource requirements had resulted from lower requirements for national staff and general temporary assistance, partially offset by additional requirements for international staff owing to a lower actual vacancy rate.

37. The actions to be taken by the General Assembly were set out in paragraph 29 of the performance report.

38. The proposed budget of the Logistics Base for the period from 1 July 2010 to 30 June 2011 (A/64/698) was $72,017,800, which was 24.3 per cent higher than the resources approved for 2009/10, reflecting an increase in staffing, mainly to strengthen the Standing Police Capacity, establish a Justice and Corrections Standing Capacity and relocate the Field Central Review Board secretariat; additional requirements for construction services to create equipment room and office space for Communications and Information Technology Services and the data centre and network communications centre and to upgrade the electrical system at the Logistics Base; and additional requirements to acquire communications and information technology equipment for the secondary telecommunications facility at Valencia.

39. The actions to be taken by the General Assembly were set out in paragraph 95 of the budget report.

40. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/64/660/Add.12), said that the

Secretary-General had proposed to reprofile the United Nations Logistics Base as the global service centre for the field under the global field support strategy, with the United Nations Support Base at Valencia continuing to serve as a communications hub for field operations; the Support Base was also proposed as a secondary active site for disaster recovery. Plans in that connection would be presented to the Assembly in the context of the Logistics Base budget proposal for the 2011/12 period. The initial comments of the Advisory Committee were contained in its general report on peacekeeping operations (A/64/660). The Advisory Committee recommended that a number of proposals should be deferred until a detailed proposal was made on the reprofiling of the Logistics Base, including the request for a D-1 post of Deputy Director, the relocation of the Field Central Review Board secretariat and the amalgamation of four tenant units into the Logistics Base's existing functions. The Advisory Committee had deferred its consideration of the proposed changes to the structure and functions of the tenant units, including strengthening of the Standing Police Capacity and establishing a Justice and Corrections Standing Capacity, pending a decision by the General Assembly on the matter and any subsequent proposals of the Secretary-General. The Advisory Committee recommended approval of 14 new posts to strengthen the Standing Police Capacity.

41. The Advisory Committee again recommended that a review of the management and acquisition planning process relating to strategic deployment stocks should be undertaken to ensure that proper and efficient management was adhered to and adequate safeguards were in place to prevent waste and financial loss to the Organization. Regardless of the outcome of the discussions on the proposed global field support strategy, there was a need for change in the overall management of strategic deployment stocks.

42. **Mr. Yamada** (Japan) said that backstopping functions for peacekeeping operations should be viewed comprehensively. When making proposals to transfer functions from Headquarters to the Logistics Base, the Secretariat should explain how such functions would maintain their integrity. His delegation concurred with the Advisory Committee that the way in which proposals were presented made it difficult to grasp the full picture regarding resource requirements. As with the support account, the utmost prudence must be exercised in determining the resources to be allocated to the Logistics Base as an essential component in backstopping peacekeeping operations.

The meeting rose at 11.15 a.m.